

2006-2007 PERFORMANCE PLAN – INVESTMENT MANAGER, ASSET ALLOCATION AND RISK MANAGEMENT (Venner)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
25%	Total Fund Performance	Excess return in basis points relative to total fund performance benchmark (SJ1C – CPERSTOT)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
25%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
40%	Asset Allocation	1. Assess merits of CalPERS investment in global inflation linked bonds (linkers) and timber by 12/31/06. 2. In collaboration with other units, recommend an implementation framework for commodity futures, linkers, and timber.	From Schedule
20%	Risk Analysis	1. Monitor and report on early warning indicators to the CIO by 6/30/07. 2. Perform detailed risk-return analysis of CalPERS private equity portfolios to improve decision-making by 3/31/07.	From Schedule
15%	Leadership	Demonstrate leadership within CalPERS and in the external investment community. Dimensions include leadership: <ul style="list-style-type: none"> • Within Investment Group • Trustees • CalPERS • External Investment Community 	From Schedule
75%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	

Supervisor's Approval: Original signed by Russell Read

Date: August 1, 2006